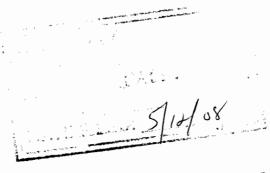
Wallace Neel

Direct Phone: 212.521.5452 Email: wneel@reedsmith.com

May 9, 2008

By Fax 212-805-4268

The Honorable Gabriel W. Gorenstein United States Magistrate Judge Southern District of New York 500 Pearl Street
New York, New York 10007



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MEMORANDUM ENDORID.

Re: E*Trade Savings Bank et ano v. Nat'l Set. Agy. et al., 07-CV-8065 (LTS/GWG)

Dear Judge Gorenstein:

I write on behalf of, and with the consent of, all counsel with respect to the settlement conference before Your Honor pursuant to the December 3, 2007 Preliminary Conference Order entered in this matter. Counsel are of the opinion that given the apparent illiquidity of all defendants and the present pendency of a motion to dismiss all claims against defendant Fast Track Title Agency LLC, settlement discussions are extremely unlikely to be productive at this point in time, if ever. Counsel will, of course, meet with the Court at Your Honor's convenience. However, counsel respectfully suggest that if such a conference is to occur, it will be a more useful exercise if it is scheduled for a date after the Court rules on the pending motion to dismiss. A conference prior to that time would be premature because the state of play will not be clear enough to permit counsel to accurately gauge their respective clients' potential recoveries and exposures.

The parties thank the Court for its time and attention to this request.

Respectfully submitted,

Wallace Neel

WN:eg

cc: Carl M. Perri, Jr., Esq. Jonathan B. Bruno, Esq. Who considere prepared to participate in a settlement to participate in a settlement conference, pay shall inform the court by letter.

UNITED STATES MAGISTRATE JUDGE